

TO: James L. App, City Manager
FROM: Ron Whisenand, Community Development Director
SUBJECT: Redevelopment Project Area Committee
DATE: March 17, 2009

Needs: For the City Council to consider options for dissolving or reformtting the Redevelopment Project Area Committee (PAC).

- Facts:
1. Section 600.61 of the Redevelopment Plan (Attachment #5) provides that the City Council may, but is not required to, call upon residential owner occupants, residential tenants, business persons, and members of existing organizations within and outside of the Project Area to form a PAC for the purpose of advising the Redevelopment Agency on policy matters pertaining to residential development and specific projects to be initiated by the Agency.
 2. Section 600.61 set the minimum number of PAC members at five. At the time of its formation in 1986, PAC had more than 20 members. Currently, and for the past decade or more, PAC has been comprised of 11 members.
 3. At a special meeting on January 15, 2009, the City Council interviewed six applicants for vacant positions on an 11 member PAC. The Council ranked the top three applicants but decided to postpone making appointments until it had the opportunity to discuss options for continuing to maintain a PAC.
 4. Presently, there are six active PAC members (Bob Burgess, Bob Fonarow, Warren Frankel, Tom Hardwick, James Mwangi, and Russ Surber). Wesley King's term is active, however, he did not attend PAC meetings in January 2008 and January 2009 and attempts to contact him have not been successful. Four persons would have to be appointed to bring the membership back up to 11.
 5. The City Attorney, in a memorandum dated February 19, 2009 (Attachment #4) addressing the options for dissolving or maintaining a PAC, concludes that:
 - a. The City Council has no obligation to maintain a PAC, but may do so if it so desires;
 - b. The Redevelopment Agency may from time to time appoint ad hoc committees to advise it on specific redevelopment projects or programs.

Analysis and
Conclusion:

PAC was originally instituted to assist the Redevelopment Agency prepare the Redevelopment Plan and guide it through its first 10 years, which would have been through 1997. Section 600.61 of the Redevelopment Plan provided that PAC would be in existence for 10 years after adoption of the plan subject to one year time extensions to be approved by the City Council. The Council has never specifically granted one year time extensions but has implicitly authorized the continuation of PAC by continuing to appoint and re-appoint members.

In the mid 1990's, the Agency adopted a policy to limit use of regular tax increment funds for reducing the debt on Library/City Hall, and not to undertake new redevelopment-funded projects. During this period, the Agency has used Redevelopment Low and Moderate Income Housing (LMIH) Funds to assist the development of low income housing. In the early 2000's LMIH funds were committed in advance of receipt, meaning that new housing projects would have to wait until LMIH funds were again available. Consequently, over recent years, PAC has had very little business to attend to.

In recent years, attainment of a quorum was somewhat of a problem. In 2008, PAC failed to attain a quorum for its single meeting; in 2007, two of the four meetings had only 6 members attend (the minimum needed to make a quorum) and two meetings had 7 members attend.

The conduct of PAC meetings requires expenditure of resources (staff time primarily) to prepare reports, agendas, and minutes, attend PAC meetings, and to solicit applicants for expiring terms. There are also costs associated with printing agendas and copies of the Redevelopment planning documents, placing legal ads in the newspaper to solicit applications, and training PAC members in such topics as conflict of interest laws.

Options available to the City Council for maintaining a PAC would include the following:

- a. Eliminate PAC. This would be accomplished by adopting Attachment #1.
- b. Maintain PAC as a standing committee, but reduce it to 7 members. This could be done by not appointing new/replacement PAC members. Attachment #2 is a resolution of the City Council to provide that PAC shall continue to operate for the duration of the Redevelopment Plan (which is presently scheduled to terminate on November 30, 2028) unless the City Council, via a subsequent resolution decides to dissolve PAC at an earlier time. Section 2 of the resolution provides for reducing the number of members to 7.
- c. Maintain PAC as a standing committee with 11 members and make appointments of those individuals who were recommended at the Council's January 15 special meeting: Jeffrey Bower, Bonnie Hall, and Patti Youngclaus. To have an 11 member PAC, however, a fourth person would have to be appointed.

Inasmuch as the Council only recommended three persons on January 15, appointment of a fourth would necessitate solicitation of additional applications and interviews.

Attachment #2 would be appropriate for this option, provided that the provision in Section 2 to reduce the membership to 7 is deleted.

Policy

Reference: California Redevelopment Law (Health and Safety Code Sections 33000 et seq.)

Fiscal

Impact: If PAC is discontinued, there would be savings of staff resources (for other priorities) and printing and advertising costs.

Options: Following acceptance of public comment, take one of the following actions:

- a. Option A: Eliminate PAC: That the City Council adopt the attached Resolution 09-XXX (Attachment #1) Dissolving the Redevelopment Project Area Committee.
- b. Option B: Maintain PAC as a standing committee, but reduce it to 7 members: That the City Council adopt the attached Resolution 09-XXX (Attachment #2) extending the term of the Redevelopment Project Area Committee for the duration of the Redevelopment Plan (i.e., until November 30, 2028) unless the City Council, via a subsequent resolution, decides to dissolve PAC at an earlier time. An option to reduce the number of PAC members to 7 is included within this resolution.
- c. Option C: Maintain PAC as a standing committee with 11 members:
 - (1) That the City Council adopt the attached Resolution 09-XXX (Attachment #2) extending the term of the Redevelopment Project Area Committee for the duration of the Redevelopment Plan (i.e., until November 30, 2028) unless the City Council, via a subsequent resolution, decides to dissolve PAC at an earlier time.
 - (2) That the City Council by voice vote appoint the following persons to serve for three year terms which will terminate on December 31, 2011: Jeffrey Bower, Bonnie Hall, and Patti Youngclaus.
 - (3) That the City Council by voice vote direct staff to re-advertise for applications for PAC to fill a vacant 4th position.
- d. Option D: That the City Council amend, modify or reject the proposed activities listed in this report.

Prepared by: Ed Gallagher, City Planner

Attachments:

1. Resolution 09-XXX of the City Council Dissolving the Redevelopment Project Area Committee
2. Resolution 09-XXX of the City Council Re-establishing the Redevelopment Project Area Committee with 7 members
3. Memorandum from the City Attorney dated February 19, 2009
4. Section 600.61 of the Redevelopment Plan (1987)

RESOLUTION NO. 09-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
DISSOLVING THE REDEVELOPMENT PROJECT AREA COMMITTEE

WHEREAS, in 1986, pursuant to California Health and Safety Code Sections 33385 et seq., the City established a Redevelopment Project Area Committee (“PAC”) comprised of residential owner occupants, residential tenants, business persons, and members of existing organizations within and outside of the Project Area to form a PAC for the purpose of advising the Redevelopment Agency of the City of El Paso de Robles (“Agency”) on policy matters pertaining to residential development and specific projects to be initiated by the Agency; and

WHEREAS, Section 600.61 of the Redevelopment Plan adopted on November 30, 1987 via Ordinance 540 N.S. provides that the PAC shall be in existence for 10 years after adoption of the Redevelopment Plan subject to one year time extensions to be approved by the City Council; and

WHEREAS, the City Council has maintained an 11 member PAC for more than 10 years, but in 2007 and 2008, PAC had difficulty attaining a quorum at its meetings; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of El Paso de Robles, California, as follows:

Section 1. The Redevelopment Project Area Committee is hereby dissolved.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 17th day of March 2009 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Duane Picanco, Mayor

ATTEST:

Cathy M. David, Deputy City Clerk

RESOLUTION NO. 09-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
EXTENDING THE TERM FOR THE REDEVELOPMENT PROJECT AREA COMMITTEE

WHEREAS, in 1986, pursuant to California Health and Safety Code Sections 33385 et seq., the City established a Redevelopment Project Area Committee (“PAC”) comprised of residential owner occupants, residential tenants, business persons, and members of existing organizations within and outside of the Project Area to form a PAC for the purpose of advising the Redevelopment Agency of the City of El Paso de Robles (“Agency”) on policy matters pertaining to residential development and specific projects to be initiated by the Agency; and

WHEREAS, Section 600.61 of the Redevelopment Plan adopted on November 30, 1987 via Ordinance 540 N.S. provides that the PAC shall be in existence for 10 years after adoption of the Redevelopment Plan subject to one year time extensions to be approved by the City Council; and

WHEREAS, the City Council has maintained an 11 member PAC for more than 10 years, but in 2007 and 2008, PAC had difficulty attaining a quorum at its meetings; and

Note: Underlined text would be deleted if the City Council elects to maintain an 11 member PAC.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of El Paso de Robles, California, as follows:

Section 1. The term of the Redevelopment Project Area Committee shall continue until expiration of the Redevelopment Plan, unless the City Council, via subsequent resolution, decides to dissolve it at an earlier time.

Section 2. The maximum number of members of the Redevelopment Project Area Committee shall be *set at 11* reduced from 11 to 7. Any further changes in the numbers of members of this committee shall require a resolution of the City Council.

Note: Underlined text would be deleted if the City Council elects to maintain an 11 member PAC. Italicized text would be deleted if the City Council elects to maintain a 7 member PAC.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 17th day of March 2009 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Duane Picanco, Mayor

ATTEST:

Cathy M. David, Deputy City Clerk



Memorandum

Iris P. Yang
Attorney at Law

Sacramento Office
916.325.4576
916.444.3826 fax
iyang@mhalaw.com

CONFIDENTIAL

VIA E-MAIL

DATE February 19, 2009
TO Redevelopment Agency Chair Hamon, Board members Gilman, Picanco, Steinbeck and Strong
FROM Iris P. Yang, Agency General Counsel
RE Project Area Committee – Dissolution

You have inquired whether the Redevelopment Agency is required to maintain a formal Project Area Committee ("PAC") if the Redevelopment Agency does not currently have active or ongoing projects. As explained below, there is no legal requirement that the Agency maintain a PAC.

The Redevelopment Plan was adopted in 1987. Under the Community Redevelopment Law (Health & Safety Code, §33000 *et seq.*), a PAC is required to be formed under certain circumstances when a redevelopment plan is adopted or amended. Health & Saf. Code, §33386. A redevelopment agency is only required to maintain, and consult with, a project area committee for a three year period after the adoption of a redevelopment plan and can be subject to one year extensions by the city council. As the Redevelopment Plan was adopted 22 years ago, no PAC is required to be maintained now.

However, the Redevelopment Agency may, at any time in the future, appoint an ad hoc advisory committee to review and make recommendations on specific redevelopment projects or programs, if it so chooses. Health & Saf. Code §33385(g). Unlike the formal election procedures required to form a PAC, the members of an advisory committee need not represent any specified interest group. In addition, the Agency can determine what the appropriate number of members of such an advisory committee is.

Because it was the City Council that initially formed the PAC, it should be the City Council that dissolves the PAC. It may be done by adoption of a resolution.

Sacramento
555 Capitol Mall
9th Floor
Sacramento CA
95814-4692
tel 916.444.3900
toll free 800.403.3900
fax 916.444.8334

Oakland
1901 Harrison Street
9th Floor
Oakland CA
94612-3501
tel 510.273.8780
toll free 800.339.3030
fax 510.839.9104

www.mhalaw.com